

DO

FR-4915-00-P

DEPARTMENT OF TRANSPORTATION

Surface Transportation Board

[STB Docket No. MC-F-20992]

Laidlaw Inc. — Intra-Corporate Family Transaction Exemption

Laidlaw Inc. (Laidlaw), a noncarrier, has filed a verified notice of exemption under the Board's class exemption procedure at 49 CFR 1182.9.¹ The exempt transaction involves the transfer of issued and outstanding shares of stock in five motor passenger carriers from Laidlaw's subsidiary Laidlaw Transit Ltd. (Laidlaw Transit)² to Laidlaw's subsidiary Greyhound Canada Transportation Corp. (Greyhound Canada). Additionally, after control of the five carriers has been transferred, Laidlaw seeks to merge Chatham into Penetang-Midland with Penetang-Midland as the surviving entity.

The transaction was expected to be consummated on August 31, 2002.

¹ The Board exempted intra-corporate family transactions of motor carriers of passengers that do not result in significant operational changes, adverse changes in service levels, or a change in the competitive balance with carriers outside the corporate family in Class Exemption for Motor Passenger Intra-Corporate Family Transactions, STB Finance Docket No. 33685 (STB served Feb. 18, 2000).

² Laidlaw, through Laidlaw Transit, indirectly or directly controls Gray Line of Vancouver Holdings, Ltd. (MC-357855), The Gray Line of Victoria Ltd. (MC-380234) and its subsidiary Victoria Tours Limited (MC-404543), Penetang-Midland Coach Lines Limited (Penetang-Midland) (MC-139953), and J.I. DeNure (Chatham) Limited (Chatham) (MC-111143) all of which are Canadian motor passenger carriers rendering special and charter operations in the United States.

The transaction is intended to restructure Laidlaw's organization by separating its special and charter operations from its school bus operations. Specifically, control of the five special and charter operations bus lines will be transferred from Laidlaw Transit, which will retain school bus operations, to Greyhound Canada, where intercity, charter and tour bus operations will be concentrated. In addition, the proposed merger of Chatham into Penetang-Midland is intended to simplify Laidlaw's corporate structure by eliminating overlapping management functions and reducing duplicate overhead and fixed costs.

This is a transaction within a corporate family of the type specifically exempted from prior review and approval under 49 CFR 1182.9. Laidlaw states that the transaction will not result in adverse changes in service levels, significant operational changes, or a change in the competitive balance with carriers outside the corporate family. Laidlaw also states that, because it directly or indirectly holds all of the stock of the affected companies, no contract or agreement will be entered into, except for the corporate documentation and filings required to effect the merger. Laidlaw further states that there will be no effect upon employees because all of them will be retained.

If the verified notice contains false or misleading information, the Board shall summarily revoke the exemption and require divestiture. Petitions to revoke the exemption under 49 U.S.C. 13541(d) may be filed at any time. See 49 CFR 1182.9(c).

An original and 10 copies of all pleadings, referring to STB Docket No. MC-F-20992, must be filed with the Surface Transportation Board, 1925 K Street, N.W.,

Washington, DC 20423-0001. In addition, a copy of each pleading must be served on Fritz R. Kahn, 1920 N Street, N.W. (8th floor), Washington, DC 20036-1601.

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Decided: September 6, 2002.

By the Board, David M. Konschnik, Director, Office of Proceedings.

Vernon A. Williams

Secretary